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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/282,157	03/31/1999	SAM E. KINNEY, JR.	046700-5005	8245

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EXAMINER
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BASHORE, ALAIN L

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 04/30/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/282,157

Applicant(s)

KINNEY, JR. ET AL.

Examiner

Alain L. Bashore

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MLW

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 12 February 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-40 and 74 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-40, 74 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### ***Claim Rejections - 35 USC § 101***

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-20, 69, and 71 are rejected under 35 U.S.C. 101 as non-statutory because the method claims as presented do not claim a technological basis. Without a claimed basis, the claim may be interpreted in an alternative as involving no more than a manipulation of an abstract idea and therefore non-statutory under 35 U.S.C. 101. In contrast, a method claim that includes in the preamble and body of the claim structural / functional interrelationships that are solely by computer (and non-trivial) are considered to have a technological basis [See Ex parte Bowman, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001) – used only for content and reasoning since not precedential].

The recitation “performed electronically” and “electronic” are not solely computer. The term “electronic” includes other than by a computer. The term “online” is considered trivial per se.

***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-4, 6-7, 9-14, 16-17, 19-24, 26-27, 29-34, 36-37, 39-40, 74 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ausubel (383) in view of Popolo.

Ausube (383) discloses a method, system, and computer program product on computer useable medium of conducting an electronic online auction between a plurality of potential bidders, the plurality of potential bidders competing for a lot ( i.e. mutiple objects together; col 4, lines 29-39) having at least one product (col 2, lines 51-67; col 3, lines1-67; col 4, lines 1-29). Participants of the online auction include a sponsor and at least two potential bidders competing for award of a lot (col 3, lines 1-5). Multiple bid information is received for a lot from multiple bidders (col 2, lines 61-62).

The received first bid information represents a first bid that is originally defined in a context of the first bidder (col 4, lines 5-10). Information reflective of the submitted first bid is stored, the stored information enabling a relative comparison of submitted bids

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(col 6, lines 11-27). Since multiple bidders and multiple bids are transmitted, and second bid information is transmitted.

Ausubel (383) discloses performing a non-linear transformation (col 8, lines 1-19) using a lookup table (col 8, line 5). Since Ausubel (383) teaches performing his demand curve using a look-up table with a non-increasing constraint (i.e. linear), there is disclosed performing a combination of linear, non-linear, and look-up table transformations simultaneously (col 8, lines 15-19).

Ausubel (383) discloses functional equivalence to "common competitive basis" because he teaches basis for auctions that require common-value component of valuation and the competitive nature of bids in general (col 1, lines 22-25).

The system claims are understood to be apparatus.

Ausubel (383) does not explicitly disclose:

enabling a second bidder to view or display a bid originally defined in a context of said first bidder in said context of said second bidder as a relative comparison; and

enabling a bidder to view or display a bid originally defined in a context of a bidder in a context of the buyer;

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generating de-transformed bid information not previously transformed which is transmitted to a second bidder;

performing a linear transformation having at least one of a multiplicative adjustment and an additive adjustment; and,

a received bid price (untransformed bid information), specified in a local currency of said first bidder which is converted (generating a transformed bid using first bid information) to yield a base currency bid price.

Popolo discloses a received bid price (untransformed bid information), specified in a local currency of said first bidder which is converted (generating a transformed bid using first bid information) to yield a base currency bid price (col 4, lines 20-45). There is also disclosed enabling a bidder to view or display a bid originally defined in a context of a bidder in a context of the buyer (col 2, lines 4-12). A second bidder may view or display a bid originally defined in a context of said first bidder in said context of said second bidder as a relative comparison (col 14, lines 50-54; col 15, lines 1-60; col 16, lines 1-24). Detransformed bid information not previously transformed is transmitted (col 14, lines 18-25).

It would have been obvious to one with ordinary skill in the art to include a received bid price (untransformed bid information), specified in a local currency of said first bidder which is converted (generating a transformed bid using first bid information)

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to yield a base currency bid price to Ausubel (383) because Popolo teaches convenience for comparison purposes (col 2, lines 2-7).

It would have been obvious to one with ordinary skill in the art to enabling a second bidder to view or display a bid originally defined in a context of said first bidder in said context of said second bidder as a relative comparison to Ausubel (383) because Popolo teaches that bidders may require changing bids (col 15, lines 24-27).

It would have been obvious to one with ordinary skill in the art to include enabling a bidder to view or display a bid originally defined in a context of a bidder in a context of the buyer to Ausubel (383) because of what is taught by Popolo. Popolo teaches that context definition is important to reduce time and expense by increasing coordination between buyers and sellers. (col 1, lines 14-67; col 2, lines 1-12).

It would have been obvious to one with ordinary skill in the art to transmit detransformed bid information not previously transformed to Ausubel (383) because Popolo teaches bidders may by-pass normal procedures to present bid information for consideration (col 14, lines 20-22).

The term "context" is taken in the broadest definition of the term to mean something viewed in light of something else. Utilizing the broadest definition of the term,

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any review of a past bids (by others) is defined in "context" of the first bidder when viewed by a second bidder.

5. Claims 5, 15, 25, and 35 are rejected under 35 U.S.C. 103(a) as unpatentable over Ausubel (383) in view of Popolo as applied to claims 1-4, 6-7, 9-14, 16-17, 19-24, 26-27, 29-34, 36-37, 39-40, 74 above, and further in view of (Walsh and Walker et al (207)).

Ausubel (383) in view of Popolo does not disclose transforming a received price per physical measure of weight or volume of coal into a standardized unit of value to the buyer of coal using multiplicative adjustments and additive adjustments based upon one or more of the thermal content, percentage sulfur, percentage ash, percentage water, and hardness of coal of said first bidder.

Walsh discloses coal and its intrinsic value for low ash and sulphur content (col 1, lines 1-49).

It would have been obvious to one with ordinary skill in the art to include transforming a standardized unit of value to the buyer of coal based upon percentage sulfur of Walsh to Ausubel (383) in view of Popolo because of what is taught by both Walsh and Walker et al (207). Walker et al (207) teaches coal as a commodity which



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can be auctioned (col 2, line 54) and Walsh teaches a basis to evaluate intrinsic value of coal.

### ***Response to Arguments***

6. Applicant's arguments filed 2-12-04 have been fully considered but they are not persuasive.

The State Street decision is not argued as requiring or not requiring a "technical basis". Since that decision regarded claims that already had a technical basis no argument was brought before the court at that time to address this issue. It is the office position that without a technical basis the utility requirement has not been met for a business method. A method claim that includes in the preamble and body of the claim structural / functional interrelationships solely by computer (and non-trivial) are considered to have a technological basis for Class 705.

The reference to Popolo discloses viewing various bids, and since these bids may be viewed by changing the display information (i.e. conversions) there is "context" as broadly understood. Since multiple bidders are disclosed, transmission of multiple bidders is shown.

### ***Conclusion***

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Alain L. Bashore whose telephone number is 703-308-1884. The examiner can normally be reached on about 7:00 am to 4:30 pm (Monday thru Thursday).

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

  
Alain L. Bashore